

Public Service Company of New  
Hampshire  
Docket No. DE 09-170

Data Request USES-01

Dated: 10/19/2009  
Q-USES-002  
Page 1 of 1

Witness: Thomas R. Belair  
Request from: US Energy Saver LLC

**Question:**

How do the NH Electric Utilities define success for the CORE programs, and what measures are used by the utilities to determine if success is being achieved? What were the results for those measures over the last five years?

**Response:**

The Utilities use the Total Resource Cost Test to assess program performance. Quarterly data is provided to the NHPUC and interested parties to inform the progress of these programs throughout the program year.

(Joint Utility Response)

**Public Service Company of New  
Hampshire  
Docket No. DE 09-170**

**Data Request USES-01**

**Dated: 10/19/2009**

**Q-USES-023**

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**Witness:** Thomas R. Belair  
**Request from:** US Energy Saver LLC

**Question:**

What would it cost each of the NH Electric Utilities to offer On-Bill Financing for all customer segments? How long would it take to implement any necessary changes in systems and procedures? (please provide a best estimate if this has not already been considered)

**Response:**

The utilities are developing on-bill financing for other customer segments as part of a RGGI grant. NHEC and UES have a loan program already built into their Customer Systems. PSNH and NGRID are building this feature into their systems, which may take 6-12 months.

(Joint Utility Response)

**Public Service Company of New  
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Docket No. DE 09-170**

**Data Request USES-01**

**Dated: 10/19/2009**

**Q-USES-024**

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**Witness: Thomas R. Belair  
Request from: US Energy Saver LLC**

**Question:**

What criteria do the NH Electric Utilities use to determine the attractiveness of a potentially new CORE program? Can the NH Electric Utilities demonstrate the process and how the criteria were used to select one of the expansion programs made available through the GHGREF grant, and provide an example of a program that was considered, but not included, explaining why one was selected and the other not?

**Response:**

The process used to expand the CORE programs using RGGI funds included looking at:

- which programs could readily use additional funds to do more energy efficiency measures,
- which programs could be expanded to additional measures,
- what new programs could we implement just for one year / funding period.

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The solar hot water program was an example of a new program that was considered because it did not meet the guidelines for passive solar.

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**Data Request USES-01**

**Dated: 10/19/2009**

**Q-USES-025**

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**Witness: Thomas R. Belair  
Request from: US Energy Saver LLC**

**Question:**

How do the NH Electric Utilities determine how much of the total CORE budget to allocate to each program? What are the most important (heavily weighted criteria)? Can the NH Electric Utilities explain how the criteria were used to determine the budget allocations for 2010?

**Response:**

Please see Q-STAFF-021. In general, the utilities develop budgets in a way that gets funds back to customers based in the same way they pay into the fund. After funding for the Home Energy Assistance Program, remaining funds are allocated back the customers class by how they paid in. Changes in the market, regulations, laws, tax credits, past program performance, evaluation results and recommendation, etc. are some of the things considered when moving funds into individual programs within a sector.

(Joint Utility Response)

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**Data Request USES-01**

**Dated: 10/19/2009**

**Q-USES-027**

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**Witness: Thomas R. Belair  
Request from: US Energy Saver LLC**

**Question:**

Do the NH Electric Utilities attempt to determine the Free Rider Benefit of the CORE program offerings? Will they please share any market research they have conducted to identify the amount of Free Rider Benefit? What are the NH Electric Utilities strategies to minimize Free Rider Benefit through the CORE programs, and can they provide examples of what they have done recently to address this issue?

**Response:**

Because the Total Resource Cost Test in NH does not include free ridership, the utilities do not calculate free rider benefits nor have we conducted market research to measure it. Free riders can be difficult to identify. All customers pay the Systems Benefit Charge, and national customers (retail/restaurant chains, for example) appear to specify efficient systems at least partially because of general awareness that energy efficiency programs exist and they want to take advantage of it in states that offer incentives. It is difficult to argue that the gains in efficiency that these projects offer do not benefit ratepayers as a whole. As a normal course of business, however, Program Administrators work to determine whether customers are acting on projects as a result of their awareness of utility programs, or whether they are performing routine maintenance, changing a building's use, etc. In these cases, utilities steer customers to programs that deal with new equipment and construction. The lower rebates offered in these programs are designed to defray incremental cost of going to highly efficient equipment where some investment in equipment by the customer is necessary. In addition, the screening process for C&I custom rebates eliminates projects that have a simple payback of less than one year.

(Joint Utility Response)

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Data Request USES-01

Dated: 10/19/2009  
Q-USES-030

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Witness: Thomas R. Belair  
Request from: US Energy Saver LLC

**Question:**

For NHEC: What are the loan terms of the NHEC Smart Start loan program, and how is the interest rate calculated? Would NHEC be willing to offer the Smart Start financing program at a 0% interest rate? Can the NHEC Smart Start financing program be used in combination with other CORE programs? Alternatively, would NHEC consider changing the name of its program to a Lease program?

**Response:**

The SmartSmart terms are that a measure/project would qualify if the costs do not exceed three quarters of the estimated annual savings over three quarters of its estimated useful life. The member can choose to use the 3/4 of the estimated savings as their repayment condition, or they can choose to repay it quicker using 100% of the estimated savings.

NHEC uses company funds, not SBC funds, for lending to its members. The interest rate is based on NHEC's borrowing rate with it's lender plus 0.5% and is fixed for the term of the loan. The interest is intended to cover NHEC's cost of capital, therefore NHEC would not offer a 0% SmartStart Loan. NHEC currently offers this program to C&I members in conjunction with the CORE Programs. The member owns the measures installed, Smart Start is not a lease program.

(NHEC Response)

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**Data Request USES-01**

**Dated: 10/19/2009  
Q-USES-031  
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**Witness: Thomas R. Belair  
Request from: US Energy Saver LLC**

**Question:**

For PSNH: Why does PSNH discount the otherwise available CORE rebates if they use the Smart Start program? Would PSNH be willing to eliminate the discounting of the rebate while still maintaining the 0% interest rate?

**Response:**

When the Smart Start Program was first introduced, there was no reduction in incentive levels for customers participating in Smart Start. The issue of whether or not to reduce incentive levels for customers participating in the Smart Start program was studied in Docket DE 04-052, PAY-AS-YOU-SAVE™ ENERGY EFFICIENCY PILOT PROGRAMS. In this docket, Commission Staff "recommended the application of a 10% reduction in the CORE rebate levels for those measures where, when such a reduction is applied, the measure continues to pass the currently applicable PAYS® test now utilized by PSNH and NHEC, respectively." The utilities subsequently implemented this reduction.

PSNH would be willing to eliminate the discounting of the rebate with Commission approval.

(PSNH Response)

